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ABSTRACT

This brief paper reviews the literature on entrepreneurship among people with disabilities. It notes that entrepreneurship by individuals with disabilities is often a consequence of disability discrimination in the workforce and provides both benefits and disadvantages such as independence and freedom from access-related obstacles (benefits) and loss of benefits and inability to access venture capital (disadvantages). A survey of self-employed people with disabilities found 91 percent enjoyed operating a business, that 56 percent described their business as successful, and that 30 percent said their businesses supplied more than half of their total household income. Other findings indicate that some disabled entrepreneurs find a niche market in serving the needs of people with disabilities. Resources for entrepreneurs with disabilities are listed with an emphasis on Internet resources. (DB)

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Entrepreneurship among People with Disabilities [1]

ED 464 453

By Tamara Holub

"Entrepreneurship has become a consequence of disability discrimination in the workforce," according to John D. Kemp with New York City-based HalfthePlanet.com, a Web site for the disabled community (as cited in Applegate, 2000, ¶ 10). Many disabled entrepreneurs started their own businesses because they encountered too many obstacles while searching for a traditional job. These obstacles might be the lack of physical accommodations in the workplace or the need for a flexible schedule. Disabled business owners often operate out of their homes, which allows them to control their environment and have flexibility in the amount and type of work they perform (Fysh, 2000).

According to the Survey of Income and Program Participation, 32.1 million people of working age (or 18.7% of the population ages 15 to 64) have a disability. About 10% of the U.S. population have a work disability, a condition that limits the type or amount of work a person can do and in severe cases prevents a person from working (Stoddard, Jans, Ripple, & Kraus, 1998).

Despite the work limitations, people with disabilities need opportunities to pursue jobs and entrepreneurship provides a way for them to gain employment. A poll conducted for the National Organization on Disability between 1986 and 1994, found that the overwhelming majority of working-age people with a disability who were not employed wanted to work (Stoddard et al.,

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1998). The 1990 national census shows that people with disabilities have a higher rate (12.2%) of self employment than people without disabilities (7.8%) (Office of Disability Employment Policy, 2001). As employers are offering more temporary, part-time, and contract work, and as small businesses are increasingly meeting the demand for contract services and products, entrepreneurship will likely play an increasing role in providing employment opportunties for those with disabilities.

Why Entrepreneurship?

According to the U.S. Department of Labor, entrepreneurship presents benefits and disadvantages for people with disabilities. Benefits of operating a small business include the freedom, flexibility, and independence associated with self employment, and freedom from access-related obstacles such as transportation, fatigue, inaccessible work environments, and the need for personal assistance. Potential disadvantages include loss of cash benefits from Social Security or supplemental disability programs, loss of health care benefits from cash programs, loss of housing and other subsidies, inability to access venture capital due to poor credit ratings, and lack of assets to use as collateral. The Department of Labor also notes that employment programs tailored to people with disabilities often do not support entrepreneurship training (Office of Disability Employment Policy, 2001).

The Research and Training Center on Rural Rehabilitation Services at the University of Montana conducted the First National Study of People with Disabilities Who Are Self Employed. Eighty-eight percent of the respondents were white, 66% percent were male, and those between the ages of 40-59 were mostly likely to run their own businesses. Ninety-one percent of the respondents reported that they enjoyed operating their business, 73% reported that they were satisfied with

their business, 56% said that their business met or exceeded their expectations, and 56% described their business as successful. More than half of those surveyed spent less than $10,000 on their initial investment. Thirty percent of the business owners said their businesses supplied more than half of their total household income, and 39% reported that their income was adequate to maintain a desirable living standard. In terms of health care coverage, 44% of the respondents had Medicare/Medicaid, 25% had no insurance, 24% had veterans/military benefits, 20% had other plans, 16% were covered under their spouse's plan, and 10% owned the company's plan (Research and Training Center on Rural Rehabilitation Services, 2001).

Some disabled entrepreneurs find a niche market in serving the needs of people with disabilities. Denise Frankart, a disabled entrepreneur, started Enchanted Travel Tours to help people with disabilities find amenities they need on vacation. Tom Misener, who has a disability, is president and CEO of Beyond Sight, which is the largest wholesaler of low-vision and blind aids in the U.S. (Fysh, 2000). Some entrepreneurs who are disabled make an effort to hire people with disabilities. Applegegate (2000) cites the story of Gene Van Grevenhof, who makes efforts to hire disabled workers for his company, Eagle Communications, a business remanufacturing laser print cartridges he founded after a serious accident left him unable to find a job.

Starting a business is an important opportunity for people with disabilities. As awareness of this increases, helped in part by important legislation such as the Americans with Disabilities Act (ADA), many nonprofit organizations and local, state, and federal programs are supporting entrepreneurship education for people with disabilities (see below). Since they comprise an important segment of the workforce and often face challenges in finding satisfying work, people

with disabilities can benefit from entrepreneurship as a means toward jobs that are tailored to their unique needs.

Resources for Entrepreneurs with Disabilities

Individuals who are looking for work can find assistance from a variety of governmental and private organizations that help disabled persons train for and find employment. The main federal government program providing employment assistance is the Vocational Rehabilitation (VR) program, authorized by the Rehabilitation Act of 1973. In 1995, VR assisted 209,599 people, including 158,559 individuals with severe disabilities, who were rehabilitated or successfully completed VR services and found jobs. Of the participants in the program, 85.4% found work in competitive employment, 7.6% were homemakers, 4% were in sheltered workshops, 2.7% were self-employed, and 0.3% were unpaid family workers. Among clients who successfully completed VR services, 60% found full-time work (Stoddard et al., 1998).

Below is a list of selected Internet resources for persons with disabilities who are interested in starting their own business in the United States and Canada.

Resources in the United States

- Disability.gov (http://www.disability.gov) - - a one-stop, comprehensive federal directory of services, programs, and information related to disabilities;
- HalfthePlanet.com (http://www.halftheplanet.com);
- The Abilities Fund (http://www.abilitiesfund.org);
- The Disabled Businesspersons Association (http://www.disabledbusiness.com/);

- Social Security Administration, Office of Employment Support Programs, Plan for Achieving Self-Support (PASS) (http://www.ssa.gov/work/Advocates/advocates2.html);
- U.S. Department of Commerce, Office of Disability Employment Policy (ODEP) & the Small Business and Self Employment Service (SBSES) (http://www.dol.gov/dol/odep/).

Resources in Canada

- Alberta Centre on Entrepreneurship and Disabilities (http://www.ucalgary.ca/~aced/);
- The Network for Entrepreneurs with Disabilities of Nova Scotia (NEWD) (http://www.entrepreneurdisability.org);
- Canadian Centre on Disability Studies, Entrepreneurship for Persons with Disabilities (http://www.escape.ca~ccds/Entrepreneurship.html);
- Western Economic Diversification Canada, Entrepreneurs with Disabilities Program (http://www.wd.gc.ca/eng/finance/programs/EDP.html).

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